

VZCZCXR06354
RR RUEHIC
DE RUEHAA #1613/01 3491045
ZNR UUUUU ZZH
R 151045Z DEC 09
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC 3905
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 6002
RUEHBJ/AMEMBASSY BEIJING 3696
RUEHKO/AMEMBASSY TOKYO 3555
RUEHIT/AMCONSUL ISTANBUL 4244
RUCNDT/USMISSION USUN NEW YORK 1314
RHMCSUU/CDR USCENTCOM MACDILL AFB FL
RUEHVEN/USMISSION USOSCE 4183
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUCPDOC/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEHRC/DEPT OF AGRICULTURE WASHDC

UNCLAS SECTION 01 OF 02 ASHGABAT 001613

SENSITIVE
SIPDIS

STATE FOR SCA/CEN

E.O. 12958: N/A
TAGS: EAGR ETRD SOCI TX
SUBJECT: TURKMENISTAN: LOSSES AT POULTRY FARM DRIVE UP
CHICKEN PRICES

ASHGABAT 00001613 001.2 OF 002

¶1. (U) Sensitive but unclassified. Not for Public Internet.

¶2. (SBU) SUMMARY: A large private poultry complex, which started working a year ago and enjoyed support from President Berdimuhamedov, is experiencing a serious problem. The poultry complex is losing a large number of chickens to a virus contracted from the feed. To compensate for the losses, the producer has increased the price 28 percent, driving the price of chicken up in local stores. END SUMMARY.

¶3. (SBU) According to the Deputy Head of the National Veterinary Service and Director of the Central Veterinary Laboratory, who met with Pol/Econ local staff member, the private poultry complex Gush Toplumy (which means "poultry complex" in Turkmen) was losing large numbers of chickens due to a virus. The contact said that while doing the veterinary inspection of Gush Toplumy's chicken flocks, he found that, because of the virus, the complex was losing 2,000 chickens every 45 days. To cover the losses, the producer raised the price for chicken meat 28 percent.

¶4. (SBU) The poultry complex Gush Toplumy, which has been blessed by President Berdimuhamedov as a model for Turkmen private business, was founded in 2007. The complex received, by order of the president, a loan of 70 billion non-denominated manat (\$3,500,000 at the then current exchange rate) with a five percent interest rate, payable over ten years. The poultry complex also enjoys a three-year tax holiday. The owner of the poultry farm is the son of the chairman of the Union of Entrepreneurs and Industrialists, Aleksandr Dadayev.

¶5. (SBU) The company started its business by importing

broiler chickens to fatten. In October 2009, in a ceremony attended by the president, the complex officially opened as a domestic chicken and egg producer. By that time, it had its own primary breeding flock and was operating incubators capable of producing 40,000 chickens every three days. The highly technological and computerized equipment of the complex was made by the Belgian firm Roxell.

¶ 6. (SBU) However, it appeared that the poultry complex had a problem from the very beginning. The contact said that it was losing about 2,000 chickens every 45 days, the production cycle for broiler chicken meat. According to the contact, a virus, which he found in the protein feed, caused the illness. The contact offered his help to the poultry complex in eradicating the virus, but the owner was hesitant to accept his offer. He said that he would discuss it with his Iran-based consultant.

¶ 7. (SBU) COMMENT: The Gush Toplumy complex is the only one of its kind in Turkmenistan and accounts for approximately 50 percent of the country's poultry production. The other 50 percent comes from small, private poultry farms. The increased prices from Gush Toplumy have driven up local prices for poultry from 7.80 manat (\$2.75) per kilo in May to 10 manat (\$3.50) per kilo in November. While the problem at the poultry complex could be resolved by local specialists and at a lower cost, Turkmen officials often distrust local expertise and prefer to depend on foreign specialists. END COMMENT.

ASHGABAT 00001613 002.2 OF 002

CURRAN